



[CalCom Ex Parte]

March 3, 2008

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: Telecommunications Reporting Worksheets (FCC Forms 499-A and 499-Q),  
CC Docket No. 96-45**

Dear Ms. Dortch:

Members of the California Communications Association (CalCom) wish to express their concern with recent changes to the Worksheet Instructions that accompany the FCC Form 499A Telecommunications Reporting Worksheet. CalCom members urge the Commission and the Universal Service Administrative Company (USAC) to consider the underlying impact of making such changes without allowing adequate opportunity for interested parties to comment on proposed changes to the form or its instructions. Such changes often impose new obligations on the reporting carriers and CalCom members believe carriers should be given a reasonable amount of time to implement and test new processes.

Each year, members of CalCom continue to experience an ever increasing complexity and level of effort involved in preparation and submission of the annual and quarterly revenue information to USAC using the Form 499-A and Form 499-Q. Of significant concern is the 2007 Worksheet Instructions which now require wholesale carriers, selling services to other carriers for resale, to obtain annual certifications from reseller customers attesting to their independent contributions to the USF. See Worksheet Instructions at 18 and 19.

While the Instructions have addressed such statements from resellers for several years, *annual* certification has never before been required. The change in the instructions made to this year's form adds a new annual certification requirement and necessitates a completely new process for obtaining certifications from every reseller. This requirement takes significant time and resources for the wholesale provider to implement. In addition, for resellers, the change to the process involves obtaining and completing certification forms from all of their wholesale providers every year. Each carrier has their own, distinct certification processes and forms, and resellers must be prepared to receive, evaluate, return, and maintain certifications from each of their wholesalers.

CalCom Member companies have experienced situations where auditors allege non-compliance with the Worksheet Instructions as the basis for negative audit findings. Specific allegations relate to the certification of their resale customers compliance with contribution requirements. However, CalCom members believe it is inappropriate to place such a significant burden on the wholesale provider of policing each resale customer's compliance. CalCom members would like to suggest an alternative, less burdensome process for ensuring Form 499 filer verification for resale revenue reporting. CalCom urges the Commission and USAC to review the current instructions and revise them as follows:

*Each filer should have documented procedures to ensure that it reports as "revenues from resellers" only revenues from entities that **reasonably** would be expected to contribute to support universal service.[emphasis added] The procedures should include, ~~but not be limited to,~~ maintaining the following information on resellers: Filer 499 ID; legal billing name; billing address; name of a contact person; phone number of the contact person; and, ~~as described below,~~ the annual certification by the reseller, if required, and evidence of the filer's use of the FCC's website to validate the contributor status of the reseller. Filers shall provide this information to the Commission or the Administrator upon request. ~~Each year, the filer must obtain a signed statement from the reseller containing the following language:~~*

*~~I certify under penalty of perjury that my company is purchasing service for resale in the form of telecommunications or interconnected Voice over Internet Protocol service. I also certify under penalty of perjury that either my company contributes directly to the federal universal support mechanisms, or that each entity to which I provide resold telecommunications is itself an FCC Form 499 worksheet filer and a direct contributor to the federal universal service support mechanisms.~~*

*~~In addition, t~~To facilitate verification of a reseller's ~~certification~~, current contributors to universal service are identified at <http://gullfoss2.fcc.gov/cib/form499/499a.cfm>. Filers may use the website to verify the continuing validity of a reseller's ~~certification~~, and may presume that any reseller identified as a contributor in this website in the month prior to an FCC Form 499-Q filing will be a contributor for the coming quarter, and that it was a contributor for all prior quarters during that calendar year. ~~Filers that do not comply with the above procedures will be responsible for any additional universal service assessments that result if its customers must be reclassified as end users.~~ In the event the Filer is unable to verify the reseller as a current contributor using the site, the Filer shall request a signed certification from the reseller containing the following language:*

*I certify under penalty of perjury that my company is purchasing service for resale in the form of telecommunications or interconnected Voice over Internet Protocol service. I also certify under penalty of perjury that either my company contributes directly to the federal universal support mechanisms, or that each entity to which I provide resold telecommunications is itself an FCC Form 499 worksheet filer and a direct contributor to the federal universal service support mechanisms.*



Filers that do not comply with the above procedures will be responsible for any additional universal service assessments that result if its customers must be reclassified as end users.

This revised process will better facilitate filers' requirements and meet the goals of the Form 499 verification for resale revenue reporting. In addition, this revised process will reduce filers' administration and costs while also maintaining the integrity of the program and collection of revenues from customers.

To that end, CalCom members urge the Commission to consider the alternative process described above. CalCom also supports the Ex Parte filing made in December 2007 by USTelecom and CTIA and respectfully concurs with the request that the Commission put any proposed revisions to the Form 499 and the Worksheet Instructions out for comment using its own notice and comment procedures, summarize proposed changes, and provide a redline version of both documents.<sup>1</sup>

Sincerely,

A handwritten signature in blue ink, appearing to read 'Greg Gierczak', with a stylized flourish at the end.

Greg Gierczak  
Chairman – CalCom Regulatory Committee

CC: Chairman Kevin Martin  
Commissioner Jonathan Adelstein  
Commissioner Michael Copps  
Commissioner Robert McDowell  
Commissioner Deborah Tate  
Dana Shaffer  
Amy Bender  
Jeremy Marcus  
Jennifer McKee  
CalCom Regulatory Committee Members

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<sup>1</sup> CalCom members agree that parties should be provided with adequate notice and opportunity to comment on any changes